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[1](#)1. SUMMARY: The Treaty of Lisbon, the European Union's (EU) latest reform effort, entered into force on December 1, 2009. The institutional and policy changes Lisbon brings will impact EU development and humanitarian assistance over the longer term through more integrated EU development and humanitarian policies, perspectives, and mechanisms. In parallel, European Commission President Barroso's new lineup of Commissioners will also affect the aid landscape in Brussels by consolidating previously divided functions under single Commissioners and bringing implementation arm EuropeAid under the wing of policy and programming directorate generals. In the short run, even with new Commission players and institutional line-ups, underlying budgets, instruments, and interlocutors will not change. As EU leaders and officials work to implement Lisbon and rationalize administrative changes, they are keen to hear our perspectives on USG foreign assistance reviews and strategies. END SUMMARY

The New Lisbon Reality

[1](#)2. A primary change for EU foreign assistance is the creation of a combined position of High Representative of the Union for Foreign Affairs and Security Policy. Baroness Catherine Ashton (Trade Commissioner under in the outgoing Commission) will fill the inaugural slot, which will merge the two prior positions of High Representative for Common Foreign and Security Policy and the Commissioner for External Relations in the Commission. As such, Ashton will chair the Foreign Affairs Council of the EU, as well as serve as a Vice President in the Commission, with a purview over the latter's substantial development program resources. However, pending the formation of the External Action Service, the rotating EU Presidency (Spain in the first semester of 2010) will continue to lead the Development Committee and Humanitarian Aid and Food Assistance Committee configurations within the Council. Under Ashton's direction, the European External Action Service (EEAS) and corresponding delegations in the field will be staffed by personnel from the Commission, the Council Secretariat, and diplomats seconded from EU member states (ref A). European Commission delegations worldwide will become EU delegations as part of the EEAS.

[1](#)3. Baroness Ashton will present to the European Parliament (EP) in April 2010 the organizational structure of the EEAS,

upon approval of which implementation will begin, most likely carrying over well into the following Belgian rotating EU presidency. EU officials anticipate hard questioning from the EP about the accountability of Commission funds administered through some EU delegations abroad. According to Commission contacts, it is not yet clear whether the Council and Parliament will need to make regulatory or legislative changes for funds to move.

14. With Baroness Ashton taking over the previous responsibilities of Commissioner for External Relations Benita Ferrero-Waldner (as well as those of former High Rep Javier Solana), most of the DG for External Relations (RELEX) will enter the EEAS. In the short run, RELEX will remain at the helm programming and delivering assistance outside of the non-African, Caribbean, and Pacific (ACP) and EU Neighborhood regions. The EU is still figuring out how it will adjust to this new one-stop-shop approach when, for some parts of the developing world, one person will be responsible for foreign policy and development programming. Ultimately, there may be a division of labor established similar to the State and USAID model between the EEAS on one hand and DG Development and Enlargement on the other.

15. In the Humanitarian realm, the Lisbon Treaty creates a European Voluntary Humanitarian Aid Corps, for which DG ECHO, the Commission's humanitarian aid office, is drafting a plan of action, pending the European Parliament's confirmation of the new Commission, including the new Humanitarian Aid Commissioner, by February 1. Not all EU member states support the Corps, concerned primarily that inexperienced voluntary workers would be sent to the field to deliver humanitarian aid on behalf of the EU. Currently, ECHO is under no specific timeline or clear instructions for its

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action on the Corps.

16. The European Parliament already enjoys relatively broad oversight of the EU's development and humanitarian assistance budget lines, but continues to lack purview over the European Development Fund (EDF). The EDF provides funding for assistance to former European colonies in the ACP. Although Parliament has made attempts to bring the EDF into the EU's main budget and under its control, larger EU member states are opposed, preferring to provide assistance more directly to ACP countries. Former Development Commissioner and incoming Trade Commissioner Karel DeGucht has expressed his support for moving the EDF within the purview of the European Parliament. Under Lisbon, the EP gains new authority over the EU's domestic Agriculture budget, since the Treaty eliminates the distinction between compulsory and non-compulsory expenditure. In practice, this will give the EP equal oversight to that of the Council over all flows. Also, the EP gains more co-decision power with Council (now referred to as ordinary legislative procedure) over budgetary and policy measures. The primary oversight committee for Development and Humanitarian aid within the Parliament is the Development Committee. However, the Budget, Foreign Affairs, and International Trade Committees will also play a role.

Barroso II

17. The institutional changes wrought by Lisbon coincide with the appointment of a new Commission. Commission President Jose Manuel Barroso announced portfolios on November 27 and the European Parliament will hold hearings for new EU Commissioners in January, with a target completion date of January 26th. The EP will make an up or down vote on the entire proposed "college" of Commissioners, but likely not without first having extracted commitments from the incoming Commissioners, and proposed modifications in certain Commission portfolios. With the EP's consent, the new Commission should officially start work February 1.

¶8. There are a number of Commissioners with some level of purview over development and humanitarian assistance. First is the Development Commissioner, who will continue to have DG Development as a primary action arm along with a considerable portion of EuropeAid (AIDCO) development assistance implementation agency. The new Commissioner for Enlargement and Neighborhood Policy will have a wider portfolio and assistance package, gaining the Neighborhood portfolio from RELEX (External Relations). The inaugural Commissioner for International Cooperation, Humanitarian Aid and Crisis Response should increase the EU's presence in humanitarian fora internationally and raise the EU humanitarian profile. The new Trade Commissioner will not have a noteworthy level of funding for assistance; nonetheless, he will play a role in securing free trade agreements with the ACP regions. While it is not clear what level of engagement the EEAS will have on programming and implementing assistance, Commission President Barroso has explicitly instructed the three Commissioners for Development, Enlargement and Neighborhood Policy, and International Cooperation, Humanitarian Aid and Crisis Response to work "in close cooperation" with High Representative for Foreign Affairs and Security Policy Ashton. Moreover, the Commissioner for Development will be the political representative of the Commission in the Foreign Affairs Council, which is chaired by the High Representative.

¶9. The division of the former Development and Humanitarian Assistance Commissioner into two Commissioners may reinforce the view that effective humanitarian aid delivery should be non-political and neutral. Additionally, the division could allow the new Development Commissioner the latitude to consolidate his role as the likely lead development policy and assistance implementing body among the EU institutions.

¶10. DG ECHO will be the primary arm for the new International Cooperation, Humanitarian Aid, and Crisis Response Commissioner. The Commissioner's work is likely to revolve around ECHO's core mandate and competency of providing humanitarian assistance worldwide. In addition to humanitarian aid, the Commissioner will also have some level of engagement in International Cooperation and Crisis Response. Most Commission insiders believe the international cooperation piece of the new Commissioner's portfolio will center on United Nations coordination and work with regional entities such as the African Union, which will

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relieve new High Representative Ashton of some duties in these areas. It is planned that the Crisis Response portion of the Humanitarian Commissioner's portfolio will be implemented by a newly forming unit within DG ECHO for Civilian Crisis Response. The new ECHO Unit will incorporate two Units and roughly fifty staff moving from DG Environment to ECHO. One of these DG Environment Units coordinates EU member-state civilian emergency response units for deployment within the EU and to nations outside the EU requesting assistance following natural or man-made disasters. The other Unit covers prevention and preparedness activities. It is not clear how those non-humanitarian Units will mesh with ECHO or if there is even space for them within ECHO's headquarters building. As ECHO has heretofore only dealt with non-EU states, the civil protection responsibility will help satisfy Lisbon's Solidarity Clause, which requires EU member states to respond if other members suffer from natural or man-made disasters.

¶11. Commission President Barroso nominated Bulgarian Foreign Minister Rumiana Jeleva to be Humanitarian Commissioner. Prior to starting as FM in July 2009, Jeleva served in the European Parliament in the European People's Party and was elected a party vice-chair in 2009. During her "confirmation" hearing on January 12, some members of the EP will reportedly question Jeleva on potential conflicts of interest with respect to her party role. While most Commissioners come from politics, they generally play down

their party roles. Additionally problematic reportedly may be her family ties to large real estate interests on Bulgaria's Black Sea coast, which is a known magnet for corruption and mafia involvement. To survive her hearing, Jeleva may be inclined to promise greater Parliament involvement in humanitarian assistance funding and programming than would normally be the case.

¶12. President Barroso chose Latvia's Andris Piebalgs to be the next Development Commissioner. Piebalgs is the current Energy Commissioner and has held that post since 2004. Prior to being Energy Commissioner, Piebalgs held a number of posts within the Latvian Government, including ambassador to the EU, minister of finance, and minister of education. In preliminary written answers to the EP, Piebalgs has noted poverty eradication, food security, achieving the UN's Millennium Development Goals, and crafting a new EU Consensus on Development as his goals. His hearing in the Parliament is scheduled for January 11. The Development Commissioner's primary actor will remain DG Development (DEV). He will also gain the development portion of EuropeAid. It seems likely that DG DEV will remain the primary lead for development policy. A regional focus on ACP countries should remain as well, but it is unclear whether DEV or the EEAS will ultimately control policy and assistance for non-ACP countries. The Barroso II Commission proposes having DG DEV cover the ACP regions and DG RELEX under High Representative Ashton handle most of the rest of the world. MEPs will certainly have their say on these and other portfolios as proposed by Barroso.

¶13. Under the new Commission there are important changes for the Commission's development assistance implementation arm EuropeAid. EuropeAid manages EU external aid programs and delivers development assistance worldwide. Under the new Commission, pieces of EuropeAid are moving under multiple DGs in an attempt to make development assistance programming and implementation more streamlined. It looks likely most of EuropeAid will fall under a strengthened DG Development. Units implementing Neighborhood programs and projects will move to DG Enlargement. It is not clear where the pieces of EuropeAid implementing programs for RELEX will move. Perhaps they will fold into the EEAS or, given DG DEV's remit as the lead for development policy, some units will move under the DEV structure.

¶14. Under the new Barroso II Commission, the Directorate General for Enlargement will capture the Neighborhood policy and assistance portfolios from DG RELEX and DG EuropeAid. This will consolidate enlargement and neighborhood programs under one DG. As the name implies, DG Enlargement is responsible for coordinating the long and rigorous process of accession to the EU by candidate states. The Commission provides pre-accession financial aid to the candidate countries (currently: Croatia, Turkey, and Macedonia) and potential candidates (Albania, Bosnia and Herzegovina, Serbia, Montenegro, Iceland, and Kosovo under UN Security Council Resolution 1244). A primary focus of the assistance

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¶17. Lisbon and Barroso II will bring about substantial institutional changes and policy re-orientations over the medium and long run. However, they do not spell immediate change for development and humanitarian assistance policies and programs. Even following full implementation of Lisbon, many of the sources of control will remain as they are today, only in different clothing. A number of the short-term changes will be apparent in early 2010, once the new Barroso Commission comes into office, as Commissioners provide a better sense of the new directions within the Commission. Moreover, once High Representative Ashton presents her EEAS plan to Parliament in April, we will know much more about a likely division of labor between DG DEV, ECHO, and the newly forming EEAS, not to mention the new EU Delegations in the field. It is unclear what impact the new EU Delegations will have as a new implementing partner to USG Embassies and USAID Missions. Although the new Delegations will contain a

broader spectrum of EU personnel, they will implement projects with relatively consistent objectives to the current Commission Delegation programs. In October 2009 EU Development Ministers expressed a strong interest in learning more about USG foreign assistance reviews to USAID Acting Administrator Fulham. The next EU Development Minister's meeting on February 17-18, 2010 will present another opportunity to engage EU Ministers to learn more about Lisbon and the new Commission and to share our experiences from the QDDR and PSD-7 reviews.

¶18. There will likely only be modest implications for on-going policy and program dialogues such as the U.S.-EU Development Dialogue, USG and L'Aquila food security initiatives, and the USG-ECHO Strategic Policy Dialogue. The

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EEAS will eventually play a substantial role in the Development Dialogue; however, in the immediate term USG actors can expect to continue engaging DG Development staff and representatives of the rotating EU Presidency, which is quickly transitioning to Spain for the first semester of ¶2010. For food security, DG Development will remain the leading voice for the EU and it will work to consolidate EU member-state positions. The Commission plans to launch an updated EU food security strategy, which DEV will lead. On the humanitarian front, the new Commissioner for International Cooperation and Humanitarian Aid will give the Commission a higher level official to engage in emergencies and within policy fora. This Commissioner should provide the USG with a more visible and powerful partner engaging UN agencies and priority countries and sectors.

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